
Reports and Testimony: February 1994

Highlights

Social Security

With the number of alcoholics and drug addicts receiving disability benefits from the Social Security Administration increasing rapidly, SSA must improve its monitoring of these recipients to ensure that benefits are not used to support addictions. Page 18.

Tax Fraud

Although electronic filing of federal tax returns rose by 13 percent in 1993 over 1992, fraudulent returns detected by IRS increased by 105 percent. With IRS planning to greatly expand electronic filing, it needs to identify and implement better controls to detect fraud. Page 35.

Farm Loans

As of September 30, 1993, \$5.4 billion of the Farmers Home Administration's \$18.8 billion in direct and guaranteed loans was held by delinquent farmers; even though FmHA has been forced to write off billion of dollars in unpaid loans, it continues to make new loans to delinquent farmers. Page 2.

Contents

Reports and Testimony: February 1994

Agriculture and Food	2
Budget and Spending	3
Civil Rights	5
Economic Development	6
Education	6
Employment	7
Energy	8
Environmental Protection	8
Financial Institutions	9
Financial Management	10
Government Operations	11
Health	15
Housing	18
Income Security	18
Information Management	19
International Affairs	20
National Defense	23
Natural Resources	31
Science, Space, and Technology	32
Social Services	34
Tax Policy and Administration	35
Transportation	36
Veterans Affairs	36

Reports and Testimony: February 1994

Agriculture and Food

Farmers Home Administration: Farm Loans to Delinquent Borrowers

GAO/RCED-94-94FS, Feb. 8 (32 pages).

As of September 1993, the Farmers Home Administration's (FmHA) outstanding direct and guaranteed loans to American farmers totaled nearly \$19 billion; about 29 percent of this, or \$5.4 billion, was held by delinquent borrowers who were behind on their loan payments. During fiscal years 1991-93, FmHA lost \$5 billion by reducing the delinquent debt of direct loan borrowers and paid losses on guaranteed loans of about \$160 million. During this same period, FmHA made about \$55 million in new direct loans to 936 borrowers after it had reduced or forgiven about \$133 million on their previous loans. As of September 1993, about 21 percent of these borrowers were delinquent on their new loans. FmHA also made about \$60 million in new guaranteed loans to 408 borrowers during fiscal years 1991-93 after it had lost \$67 million on their previous guaranteed and direct loans. As of September 1993, about four percent of these borrowers were delinquent on their new guaranteed loans. FmHA loaned another \$90 million during fiscal years 1991-93 under a policy that allows delinquent borrowers to obtain new direct loans for operating expenses.

Testimony

Food Assistance: Reducing Fraud and Abuse in the Food Stamp Program With Electronic Benefit Transfer Technologies, by Robert A. Robinson, Associate Director for Food and Agriculture Issues, before the Senate Committee on Agriculture, Nutrition, and Forestry. GAO/T-RCED-94-125, Feb. 2 (13 pages).

GAO testified that electronic benefit transfers could reduce fraud and abuse in the Food Stamp Program, particularly counterfeiting and mail theft. It is doubtful, however, that this technology would have a large impact on fraud and abuse that occur when recipients apply for food stamp coupons and states make eligibility decisions. Further, although the technology could potentially reduce the sale or trading of food stamps, the amount of the reduction is unclear. If electronic benefit transfer systems are put in place solely to distribute food stamp benefits, they could be more costly to the federal government than the current coupon-based system; the technology becomes more cost-effective when used in conjunction with other government assistance programs, such as Aid to Families With Dependent Children. Several states have already moved in this direction.

The federal government is likely to benefit most if it uses the technology to deliver multiple program benefits rather than food stamps alone.

U.S. Department of Agriculture: Centralized Servicing for FmHA Single-Family Housing Loans, by John W. Harman, Director of Food and Agriculture Issues, before the Subcommittee on Information, Justice, Transportation, and Agriculture, House Committee on Government Operations. GAO/T-RCED-94-121, Feb. 9 (six pages).

Centralizing service for the Farmers Home Administration's (FmHA) single-family housing loans could potentially improve service and cut costs. Although FmHA's attempts over the past 5-1/2 years to centralize servicing operations for direct housing loans have not been fruitful, the benefits of centralization outweigh any disadvantages and GAO supports moving ahead with this effort. Centralizing loan servicing activities is consistent with the Agriculture Department's goal of reinventing itself.

Meat Safety: Inspection System's Ability to Detect Harmful Bacteria Remains Limited, by John W. Harman, Director of Food and Agriculture Issues, before the Subcommittee on Agricultural Research, Conservation, Forestry, and General Legislation, Senate Committee on Agriculture, Nutrition, and Forestry. GAO/T-RCED-94-123, Feb. 10 (16 pages).

The federal meat inspection program is only marginally better at protecting the public from harmful bacteria than it was a year ago when several people died after eating hamburgers contaminated with E. coli bacteria. The U.S. Department of Agriculture (USDA) continues to rely on visual inspections that cannot detect such pathogens—the greatest public health risk associated with meat and poultry. USDA's efforts to improve its inspection system have not addressed this inherent weakness, nor has USDA tried to require routine microbial testing by industry and government. To better protect the public from foodborne illnesses, USDA must adopt a modern, scientific, risk-based inspection system that would allow the agency to target inspections to higher-risk meat and poultry products and to develop methods to help inspectors detect microbial contamination.

Budget and Spending

Impoundments: Proposed Rescissions of Fiscal Year 1994 Budget Authority

GAO/OGC-94-19, Jan. 27 (12 pages).

On November 1, 1993, the President sent to Congress his second special impoundment message for fiscal year 1994. The message reports 37 proposed rescissions of budget authority affecting the Defense Department and a variety of federal agencies. GAO reviewed the proposed rescissions and found them to be in accordance with the Impoundment Control Act. This report provides detailed information on the proposed rescissions.

**Budget Issues:
Fiscal Year 1993 Budget Estimates and Actual Results**

GAO/AIMD-94-68, Feb. 4 (41 pages).

This report compares the Office of Management and Budget's (OMB) original and revised estimates of the deficit, outlays, receipts, and economic conditions with the actual fiscal year 1993 results. GAO (1) identifies reasons for the major difference between OMB's original estimates and actual results; (2) assesses whether patterns of estimating problems are discernable; and (3) includes, for comparison, the recent estimates reported by the Congressional Budget Office (CBO). Excluding deposit insurance, OMB's estimate of the budget deficit for fiscal year 1993 tracked closely to the final adjusted deficit. The budget estimation process is, however, unlikely to become any easier given upcoming tax changes and the proposals for health care and welfare reform. Although the fiscal year 1993 budget deficit was the lowest in three years, it still added more than \$250 billion to the nation's debt; in fiscal year 1993, interest payments on this borrowing totaled another \$293 billion. CBO projects that the deficit will shrink to \$166 billion in fiscal year 1996 but will turn upward at the end of the decade unless additional action is taken. In GAO's view, now is the time—while the economy is growing and the deficit is not—to adopt policies to put the deficit on a downward path.

Testimony

Fiscal Year 1995 Budget Estimates for the General Accounting Office, by Charles A. Bowsher, Comptroller General of the United States, before the Subcommittee on Legislative, House Committee on Appropriations. GAO/TOCG-94-2, Feb. 4 (14 pages).

GAO is now in the midst of some of the most significant changes in agency operations in decades. Against a backdrop of budget reductions, GAO has cut its workforce by more than 10 percent and expects to reach a staffing level of 4,500 positions by fiscal year 1996. GAO is also in the process of

closing or consolidating several field offices. Even so, GAO's productivity remains high. In fiscal year 1993, GAO issued about 1,000 reports and testified nearly 200 times before various congressional committees. GAO's work, which touched on everything from military base closures to health care reform to the effects of the North American Free Trade Agreement, yielded more than \$14.5 billion in measurable financial benefits to taxpayers last year.

Civil Rights

EEOC's Expanding Workload: Increases in Age Discrimination and Other Charges Call for New Approach

GAO/IEHS-94-32, Feb. 9 (36 pages).

The amount of time a person may have to wait for the Equal Employment Opportunity Commission (EEOC) to process a discrimination charge under the nondiscrimination laws could more than double and approach 21 months by fiscal year 1996. The current trend of a steadily increasing workload without commensurate increases in resources is expected to continue. Former and current EEOC officials and civil rights experts have suggested several options that they believe could improve federal enforcement of employment nondiscrimination laws. The one mentioned most often is increased use of alternative dispute resolution approaches, such as mediation. GAO recommends that Congress convene a panel of experts to review this and other options. Because resources are scarce, EEOC officials doubt that the Commission will initiate substantially more systemic charges or litigate significantly under the nondiscrimination laws.

Testimony

Federal Personnel: The EEO Implications of Reductions-in-Force, by Nancy Kingsbury, Director of Federal Human Resource Management Issues, before the Subcommittee on Civil Service and the Subcommittee on Compensation and Employee Benefits, House Committee on Post Office and Civil Service. GAO/TEGGD-94-87, Feb. 1 (12 pages).

In a recent review of reductions-in-force (RIF) at three Defense Department installations, GAO discovered that the RIFs caused a disproportionate number of women and minorities to lose their jobs. In some cases, this was because women and minorities lacked the tenure, veterans' preference, or performance-adjusted seniority of nonminorities or men. In other cases, minorities held a large number of the jobs being abolished and

they lacked assignment rights to other positions. Continuing RIFs may undermine the gains made by women and minorities in the workforce, particularly at the middle and higher levels. On the other hand, downsizing alternatives that encourage voluntary retirements and resignations may prompt larger numbers of white males to leave on their own initiative, a trend that could improve the overall diversity of the remaining workforce. This was the case during GAO's own recent workforce reduction, which included a special cash separation incentive.

Economic Development

Community Development: Block Grant Economic Development Activities Reflect Local Priorities

GAO/RCED-94-108, Feb. 17 (66 pages).

To help state and local governments develop viable communities, Congress has appropriated more than \$62 billion to the Community Development Block Grant Program since 1975. Grantees have broad discretion, but funded activities must either benefit low- or moderate-income households, help prevent or eliminate slums, or meet other urgent community development needs. This report (1) provides information on the funding of economic development activities and the impediments that grantees have experienced; (2) identifies issues related to the proper use of these funds; (3) provides information on the types and quality of jobs resulting from program funding and identifies possible criteria for measuring job quality; and (4) identifies potential performance indicators for measuring the overall effectiveness of economic development activities under the program.

Education

Elementary School Children: Many Change Schools Frequently, Harming Their Education

GAO/HEHS-94-45, Feb. 4 (55 pages).

One-sixth of the nation's third graders—more than half a million children—have attended at least three different schools since starting first grade. Unless policymakers focus more on the needs of children who are changing schools frequently—often poor, inner city, and with limited English skills—these children may continue to do poorly in math and reading and risk having to repeat grades. Local school districts typically

provide little additional assistance to these children. The Education Department could help by developing strategies to provide all eligible children, including those who have switched schools frequently, access to federally funded Migrant Education and Chapter 1 services. Timely and comparable record systems are one way to help mobile children receive services. For example, a child's school records often take up to six weeks to arrive in a new school, and student records often differ among states and districts.

Employment

Occupational Safety and Health: Changes Needed in the Combined Federal-State Approach

GAO/HEHS-94-10, Feb. 28 (72 pages).

In September 1991, 25 workers died and more than 50 others were injured in a fire at a North Carolina chicken processing plant, in large part because the fire doors had been locked. The plant had never been inspected by the Occupational Safety and Health Administration (OSHA) or by the state. OSHA's oversight of state-run safety and health programs continues to be plagued by substantial weaknesses. OSHA still has little information about the outcomes and effectiveness of either its own or state programs. Other shortcomings include inadequate measures of program activities and no specific program activity goals, no requirement for states to do internal audits or self-assessments that would allow OSHA to consider these results in its evaluations, and no follow-up procedures to ensure that states correct problems flagged by OSHA. Some states have adopted unique program features that OSHA does not have. These include requiring comprehensive worksite safety and health programs and using worksite-specific injury and illness data. Two other state program features warrant further OSHA analysis to determine whether they should be added to OSHA law: (1) coverage of state and local government workers and (2) shutdown authority in imminent danger situations.

Energy

Testimony

DOE's National Laboratories: Adopting New Missions and Managing Effectively Pose Significant Challenges, by Victor S. Rezendes, Director of Energy and Science Issues, before the Subcommittee on Energy and Power, House Committee on Energy and Commerce. GAO/T-RCED-94-113, Feb. 3 (14 pages).

Since the end of the Cold War, the Energy Department's (DOE) nine national laboratories—Argonne, Brookhaven, Idaho National Engineering Laboratory, Lawrence Berkely, Lawrence Livermore, Los Alamos, Oak Ridge, Pacific Northwest, and Sandia—have come under increasing pressure to apply their talents to a variety of national issues, ranging from improving U.S. economic competitiveness to cleaning up the environment. Experts and agency officials agree that the laboratories' missions need to be clarified if their resources are to be used most effectively. GAO testified that if DOE is to develop a more effective management strategy, it must better define the laboratories' missions and strengthen its working relationship with them.

Environmental Protection

Air Pollution: EPA's Progress in Determining the Costs and Benefits of Clean Air Legislation

GAO/RCED-94-20, Feb. 11 (39 pages).

In the 1990 Clean Air Act amendments, the most recent effort to bolster the nation's air quality, Congress added more requirements for attaining national ambient air quality standards and reducing hazardous air pollutants and precursors to acid rain. The Business Roundtable has estimated that it could cost as much as \$104 billion annually to implement three of the amendments' major provisions: those on acid deposition, air toxics, and the attainment of ozone standards. In light of this and other high cost estimates, the Environmental Protection Agency (EPA) was required to conduct cost-benefit analyses of the legislation. This report describes EPA's (1) methodology for conducting the cost-benefit analyses, (2) progress in completing the analyses, and (3) costs incurred for contractors and EPA staff resources used to complete these analyses.

**Water Pollution:
Poor Quality Assurance and Limited Pollutant Coverage
Undermine EPA's Control of Toxic Substances**

GAO/PEMD-94-9, Feb. 17 (105 pages).

The Environmental Protection Agency (EPA) controls toxic pollutant discharges into waterways through seven "core" activities spread across several programs. GAO found that some of the information used to analytically support these activities may be of doubtful quality, raising questions about the effectiveness of these activities in controlling toxic pollutants. GAO also found that the current permit process does not limit the vast majority of toxic pollutants being discharged from the nation's factories and sewage treatment plants. Although most of these substances are "nonpriority" pollutants, they do pose risks to both human health and aquatic life. GAO tried to examine the implications of the uncontrolled pollution cases identified in the facility sample population, but the majority of cases could not be evaluated because of a lack of criteria for assessing the health risks posed by the discharges. This is so for most toxic pollutants discharged across the nation.

Financial Institutions

**Resolution Trust Corporation:
Analysis of Selected Asset Sales and Financial Data**

GAO/GGD-94-37, Feb. 1 (30 pages).

For most of the 5,156 assets it reviewed under nine Standard Asset Management and Disposition Agreement (SAMDA) contracts, GAO was unable to determine holding costs and revenues, holding times, or net recovery rates for disposed assets because the data were either not readily available or were unreliable. GAO discovered that (1) the Resolution Trust Corporation (RTC) had not established uniform reporting requirements for the financial data and (2) for the assets sold by RTC, final sales information was not always provided to SAMDA contractors promptly. Without this information, neither the sales proceeds nor the recovery rates could be determined. RTC has since established uniform requirements for reporting assets sales and financial data. Out of the 5,156 assets, GAO analyzed the financial data for 1,654 assets for which complete revenue and expense data were available. GAO identified those assets types with the highest holding costs, those types that remained in the inventory for the longest time, and those types that produced the highest rates. If RTC had done such

an analysis, it could have used the results to make better informed decisions about managing its portfolio. Taken together, these factors—net holding costs and revenues, holding times, and net recoveries—along with such factors as availability of buyers and market outlook can help managers decide whether and when it makes sense to dispose of assets and maximize net recoveries for RTC.

**Deposit Insurance Funds:
Compliance With Obligation and Repayment Requirements as of
3/31/93 and 6/30/93**

GAO/AIMD-94-62, Feb. 4 (24 pages).

The Federal Deposit Insurance Corporation's (FDIC) maximum obligation calculations show that as of March 1993 and June 1993, (1) the Bank Insurance Fund's (BIF) assets and other funding sources exceeded its obligations by \$41 billion each quarter and (2) the Savings Association Insurance Fund's (SAIF) assets and other funding sources exceeded its obligations by \$664 million and \$636 million, respectively. Nothing came to GAO's attention that would lead it to question the reasonableness of the amounts reported for these periods. As of June 1993, neither BIF nor SAIF had borrowed funds for insurance losses from the U.S. Treasury, although changing economic conditions and other factors could affect the need for future borrowings. As of June 1993, FDIC had outstanding about \$2.5 billion in borrowings from the Federal Financing Bank for BIF's working capital needs. FDIC projected that future net collections from the disposal of BIF's inventory of failed bank assets would be nearly \$16 billion. In August 1993, FDIC repaid the outstanding balance of BIF's working capital borrowings to the Federal Financing Bank.

**Financial
Management**

**Financial Audit:
Federal Deposit Insurance Corporation's Internal Controls as of
December 31, 1992**

GAO/AIMD-94-35, Feb. 4 (67 pages).

GAO discovered weaknesses in the Federal Deposit Insurance Corporation's (FDIC) internal controls designed to (1) ensure consistent oversight of contractors hired to service and liquidate failed bank assets, (2) prevent or detect data errors in FDIC's asset management information system and reconcile that asset information with FDIC's general ledger

system, and (3) promptly complete reconciliations of the loan system of FDIC's main servicer of commercial and residential loans with the agency's own systems. These weaknesses undermined FDIC's ability to manage, liquidate, and report on the large volume of assets acquired from failed financial institutions. These weaknesses also affected FDIC's ability to accurately report transactions associated with the Bank Insurance Fund's and the FSLIC Resolution Fund's resolution and liquidation activities and increased the risk of misappropriation of assets, possibly adding to the losses on receivership assets being incurred by the funds. GAO also found that FDIC's controls over its time and attendance reporting did not ensure that employees adhered to agency policies and procedures, increasing the risk of inappropriate payroll expenditures.

Financial Management:

IRS Does Not Adequately Manage Its Operating Funds

GAO/AIMD-94-33, Feb. 9 (35 pages).

Significant weaknesses exist in the systems that the Internal Revenue Service (IRS) uses to manage, spend, account for, and report on its operating funds; GAO was unable to audit \$4.3 billion of the \$6.7 billion in operating funds that IRS reported spending in fiscal year 1992 because IRS could not account for all the money. Significant control weaknesses included the following: (1) managers lacked current, reliable information on available budget authority; (2) some types of expenditures were recorded only after lengthy delays; and (3) reports used to monitor compliance with laws governing the use of budget authority contained unauthorized adjustments. In addition, IRS reports misclassified expenditures. Further, IRS did not periodically review and adjust its records to reflect changes in obligations and remove canceled appropriations or resolve billions of dollars in discrepancies between its records and those of the Treasury Department. Also, IRS could not ensure that outlays for goods and services were proper because of fundamental control weaknesses in its payment processes, including a lack of proper review and approval of payments.

**Government
Operations**

U.S. Postal Service:

Newly Designed Retail Store Revenues Exceed Operating Costs

GAO/GGD-94-85, Feb. 4 (16 pages).

In response to customer complaints about long lines at post offices and the lack of self-service areas for stamps and other items, the U.S. Postal Service has opened 23 retail stores since 1989 and plans to open 20 more in 1994. These retail stores offer the same services found at traditional post offices but boast more attractive interiors. The retail stores do not offer many of the business and communication services, such as fax, E-Mail, and word processing, provided by commercial parcel and retail mail services. Fourteen of the 16 retail stores that had been in operation for at least a year were profitable at the end of fiscal year 1993; overall revenues were 2.5 to 6 times greater than operating costs. Not enough data were available to estimate revenues and costs for the other two stores. New store locations are chosen on the basis of customer need and convenience—the same criteria used to select traditional post office sites.

**U.S. Insular Areas:
Development Strategy and Better Coordination Among U.S.
Agencies Are Needed**

GAO/NSIAD-94-62, Feb. 7 (32 pages).

U.S. policy supports the economic development of the U.S. insular areas and the Trust Territory of the Pacific Islands, which includes American Samoa, the Northern Mariana Islands, Guam, and Palau. The United States lacks, however, specific objectives for its development programs, a clear overall strategy to attain its goals, and a formal mechanism to coordinate the activities of the many federal agencies with programs in the islands. Although the Commerce Department reports that U.S. outlays for the insular areas totaled about \$1.5 billion in fiscal year 1992, the U.S. government lacks supporting data for these expenditures. The Interior Department has proposed creating an interagency committee to coordinate federal policy and activities. In GAO's view, an interagency group focusing on policy, strategy, and U.S. government coordination could substantially improve economic conditions in the insular areas and management of resources being delivered to the areas.

**Management Reforms:
Examples of Public and Private Innovations to Improve
Service Delivery**

GAO/AIMD/GGD-94-90BR, Feb. 11 (53 pages).

GAO surveyed the literature and research firms on managerial initiatives undertaken in the public and private sectors to improve efficiency and cut operating costs in service delivery. The literature repeatedly cited three factors as causing change: (1) a desire or need to achieve "competitive advantage," (2) long-term revenue or budget constraints, and (3) mandates required by law or regulations. The variety of change and activity fell into four areas: cultural changes, which involve altering underlying assumptions, values, attitudes, and expectations at an organization; mission changes, which entail an organization recognizing the need to systematically identify and plan core activities and responsibilities; structural changes that arrange organizational authority and work responsibilities in the most efficient way; and process changes in how goods and services are produced and delivered. This briefing report provides notable examples of these service and program changes and lists selected readings that discuss reported change effects.

**Federal Employees' Compensation Act:
No Evidence That Labor's Physician Selection Processes Biased
Claims Decisions**

GAO/GGD-94-67, Feb. 11 (22 pages).

Claimants and their representatives have alleged that the Labor Department's Office of Workers' Compensation Programs lacks objectivity and has "shopped" for doctors who, when examining claimants, would be predisposed against supporting their claims for workers' compensation benefits. GAO did not find this to be the case. When claimants' benefits were terminated after a second-opinion examination, these adjustments were usually unrelated to conflicts in medical evidence that would have required an impartial medical examination. Also, the Office has an automated system—the Physician Directory System—in place to ensure that physicians are chosen in an unbiased manner. Finally, given the number of impartial medical examinations done by individual doctors and the amounts paid to those who did both second-opinion examinations and impartial medical examinations, it seems unlikely that the Office was repeatedly using the same doctors to achieve predetermined results. Yet, there have been times when districts have been unable to use the Physician Directory System when choosing doctors to do impartial medical examinations. It would be in the Office's best interest to establish controls to ensure the impartial selection of doctors whenever methods other than the Physician Directory System are used to select doctors.

**Department of Labor:
Noncompetitive Discretionary Grants**

GAO/HEHS-94-9, Feb. 22 (23 pages).

This report reviews the way in which the Labor Department processes and approves noncompetitive, discretionary grants to entities other than state and local governments. GAO (1) identifies the noncompetitive, discretionary grants of \$25,000 or more awarded by Labor during fiscal years 1990-92; (2) determines how Labor awards and justifies grants; (3) describes the manner in which Labor oversees grantee performance and identifies the systems that Labor uses to track those grants; and (4) determines the extent of grant awards made to former employees and identifies the application review mechanisms Labor uses to spot potential conflicts of interest involving former employees.

Testimony

Improving Government: GAO's Views on H.R. 3400 Management Initiatives, by Charles A. Bowsher, Comptroller General of the United States, before the Senate Committee on Governmental Affairs. GAO/T-AIMD/GGD-94-97, Feb. 23 (62 pages).

The Comptroller General testified on the key management aspects of H.R. 3400, the Government Reform and Savings Act of 1993. Most of these management proposals, which range from improving individual agency operations to furthering broad-based governmentwide initiatives, come from the Vice President's National Performance Review. The goal is a smaller, more efficient government, one that stresses accountability and managing for results. GAO generally supports the thrust of the bill's proposals for management improvement. Certain provisions, especially the requirement for audited financial statements for the largest federal departments and agencies, are vital to meaningful management reform and should be swiftly enacted. In a few cases, especially in the franchise and innovation funds area, GAO has serious reservations about provisions in the bill and believes that alternatives should be considered. Finally, GAO suggests a number of refinements to specific sections and proposes an additional provision on preparing and auditing a much-needed consolidated picture of the federal government's financial condition.

Health

Drug Use Among Youth: No Simple Answers to Guide Prevention

GAO/HRD-94-24, Dec. 29 (64 pages).

Although the use of illegal drugs and alcohol among adolescents has declined from the peak levels of the late 1970s and early 1980s, it remains widespread. The many social ills that accompany drug and alcohol use remain a serious public policy concern throughout American society. This report (1) describes the prevalence of drug and alcohol use among various groups of young people; (2) describes the relationship between drug and alcohol use; (3) identifies risk factors most related to drug and alcohol use by youth; (4) identifies and describes federal programs aimed at drug risk factors; and (5) on the basis of GAO's analysis, describes what set of policies might constitute a reasonable prevention and intervention strategy.

Prescription Drugs: Companies Typically Charge More in the United States Than in the United Kingdom

GAO/HEHS-94-29, Jan. 12 (52 pages).

Drug manufacturers charge 60 percent more for 77 commonly prescribed, brand-name drugs in the United States than for the same medications in the United Kingdom. A total of 66 of the drugs were priced higher in the United States than in the United Kingdom; 47 of these drugs were priced more than twice as high. Most of the differences in prescription drug prices between countries cannot be attributed to differences in manufacturers' costs. Instead, U.S.-U.K. drug price differences are mainly due to the lack of regulatory constraints in the United States. In the United Kingdom, the government health system—virtually the sole payer for prescription drugs—has an agreement with drug manufacturers that limits the profits that drug companies can earn on sales in the British Isles. Other factors may also work to lower drug prices in the United Kingdom. Pharmaceutical information is more widely available in the United Kingdom than in the United States, possibly enhancing price competition among drug manufacturers in the United Kingdom. U.K. doctors receive information on their own prescribing patterns and on the comparative prices and efficacy of drugs. The United Kingdom can remove drugs from its list of reimbursable products if the manufacturers' prices for those drugs are considered excessive. Wholesales and retailers can import

brand-name drugs into the United Kingdom from elsewhere in Europe where drugs are cheaper.

Medigap Insurance:

Insurers' Compliance With Federal Minimum Loss Ratio Standards, 1988-91

GAO/HEHS-94-47, Feb. 7 (45 pages).

From 1988 through 1991, the market for Medicare supplemental insurance—commonly called Medigap—grew by more than 50 percent; premiums rose from about \$7 billion to \$11 billion. In the first half of this period, Medigap insurers' loss ratios fell for both individual and group policies. Beginning in 1990, loss ratios rose and the 1991 aggregate loss ratios were about at their 1988 levels—80 percent for policies sold to individuals and 90 percent for group policies. The loss ratios for individual policies represent a dramatic improvement from the early 1980s when the federal minimum standards became effective and aggregate loss ratios were about 60 percent. The premiums associated with companies whose aggregate loss ratios did not meet the federal minimum standards fell from \$388 million in 1988 to \$206 million three years later. Although this decline suggests that insurers' compliance with the loss ratio standards improved during the four-year period, some companies did not meet the minimum loss ratio standards in every state in which they did business. The premiums collected by these companies steadily declined during the period, from \$126 million in 1988 to \$35 million in 1991.

Testimony

Managed Health Care: Effect on Employers' Costs Difficult to Measure, by Mark V. Nadel, Associate Director for National and Public Health Issues, before the Subcommittee on Health, House Committee on Ways and Means. GAO/T-HEHS-94-91, Feb. 2 (eight pages).

Although some "managed care" plans have the potential to deliver health care at lower cost, little empirical evidence exists showing that the use of these plans has contained employers' overall health care costs. Managed care refers to insurance plans that limit patients to a specific network of doctors and hospitals, control the use of services, and negotiate reimbursement with providers. Under this definition, about half of all insured workers are covered by managed care plans. GAO reviewed employers' experience with managed care and found that some managed care plans, by negotiating physician and hospital payments and controlling

the use of services, can potentially hold down costs. Lower costs for these plans, however, may not translate into lower health care spending for employers due to enrollee differences and pricing policies. GAO also discovered that employees like many features of managed care plans but would rather not be limited in their choice of physicians.

Health Care Reform: Implications of Geographic Boundaries for Proposed Alliances, by Sarah F. Jaggard, Director of Health Financing and Policy Issues, before the Senate Committee on Finance. GAO/T-HEHS-94-108, Feb. 24 (18 pages).

A common feature of many health reform bills is the creation of public or private health alliances that would seek to broaden coverage, pool risks, give consumers a choice of health care plans, and disseminate information on the costs and quality of plans. All the bills leave the establishment of alliance boundaries to the states. This testimony discusses (1) the provisions of major health reform bills concerning the configuration of alliance boundaries; (2) the experiences of two states that have established entities similar to alliances; (3) features and procedures for creating a Metropolitan Statistical Area; and (4) issues relating to the potential effects of alliance boundaries on existing health markets, access to health care, and distribution of health care costs within a state. Concerns about the boundary provisions of the health reform proposals include the potential for gerrymandering, changing the provision and receipt of health care, segmenting high-risk groups, and isolating underserved areas.

Medicaid: A Program Highly Vulnerable to Fraud, by Leslie G. Aronovitz, Associate Director for Health Financing Issues, before the Subcommittee on Human Resources and Intergovernmental Relations, House Committee on Government Operations. GAO/T-HEHS-94-106, Feb. 25 (eight pages).

The Medicaid program cost state and local governments more than \$150 billion in 1993 for health services and supplies. It is highly vulnerable to fraud because of its size, structure, target population, and coverage. The ensuing drain on program funds is hard to gauge, but state Medicaid officials believe it may be as high as 10 percent of program expenditures. Prescription drugs are a very appealing target. Schemes include pharmacists routinely adding medications to customers' orders and clinics inappropriately giving Medicaid recipients completed prescription forms, or scrip, that can be sold on the street to the highest bidder. Some pills costing 50 cents at the pharmacy have been resold for as much as \$85.

Although states have been tackling Medicaid fraud with some success, the problem persists. Officials in many states say that most leads go unpursued, cases take too long to resolve, and penalties are light even for those convicted. Most say that a lack of resources hinders oversight, investigations, and prosecutions. GAO suggests that the Health Care Financing Administration take the lead and develop an overall strategy to guide states in their struggle against Medicaid fraud.

Housing

Homelessness: Appropriate Controls Implemented for 1990 McKinney Amendments' PATH Program

GAO/HEHS-94-82, Feb. 22 (20 pages).

The Department of Health and Human Services' (HHS) Projects for Assistance in Transition From Homelessness (PATH) programs provides states with funds to serve homeless persons with serious mental illnesses and substance abuse problems. HHS has implemented appropriate program controls to ensure that PATH expenditures are consistent with the 1990 McKinney Amendments, which require GAO to report on the PATH program every three years. In the five states GAO reviewed—California, Florida, Illinois, New York, and Texas—state grant procedures, financial oversight, and provider monitoring have also helped guarantee that PATH service reached the target population. Local providers' mental health assessments have further ensured that PATH services reached the people they were intended for.

Income Security

Testimony

Social Security: Disability Benefits for Drug Addicts and Alcoholics, by Jane L. Ross, Associate Director for Income Security Issues, before the Subcommittees on Social Security and Human Resources, House Committee on Ways and Means. GAO/T-HEHS-94-101, Feb. 10 (14 pages).

The number of drug addicts receiving social security disability benefits has soared in recent years; about 250,000 addicts now receive disability benefits at an annual cost of \$1.4 billion. Even though half of them qualify for benefits on the basis of their addiction alone, most addicts are not

required to be in treatment. Finding qualified representative payees to manage addicts' benefits has been a long-standing problem for the Social Security Administration. Most payees are either friends or relatives. In the absence of tight controls, addicts are free to buy drugs and alcohol to maintain their addictions. GAO believes that organizational payees would be in a better position to provide the strict controls needed over benefit payments to addicts.

Information Management

Defense IRM: Management Commitment Needed to Achieve Defense Data Administration Goals

GAO/AIMD-94-14, Jan. 21 (37 pages).

The Pentagon, challenged with maintaining a strong military at a time of shrinking resources, began its Corporate Information Management (CIM) initiative to help streamline operations and manage resources more efficiently. But despite two years of effort, the Defense Department (DOD) has made little progress toward achieving its corporate data administration goals. DOD functional managers have not uniformly followed the CIM model to document their business goals, methods, and performance measures—the essential first step to pinpointing the data they need to support their missions. Rather than resolving this fundamental problem, DOD personnel are pursuing data administration activities that are wasteful and ineffective and do not support the Pentagon's corporate data administration goals. Unless DOD's functional managers follow through on CIM implementation within their respective mission areas, DOD will not achieve its data administration goals.

Medicare: New Claims Processing System Benefits and Acquisition Risks

GAO/HEHS/AIMD-94-79, Jan. 25 (25 pages).

A new system for processing Medicare claims offers considerable opportunities to improve Medicare operations and safeguard program dollars. As such, the Medicare Transaction System—a new automated system for processing claims—could strengthen the Health Care Financing Administration's (HCFA) management of contractor performance. Although HCFA projects that the new system will yield administrative cost savings, the exact amount is uncertain. HCFA's planning and acquisition strategy for

the system is fraught with risks that could prevent the new system from achieving its intended benefits and could increase costs and cause schedule delays. GAO supports HCFA's planning and acquisition strategy changes to address these concerns. Because of the size, the complexity, and the importance of the system to the Medicare program, however, oversight by top management and Congress is essential.

International Affairs

Foreign Assistance:

U.S. Support for Caribbean Basin Assembly Initiatives

GAO/NSIAD-94-31, Dec. 29 (96 pages).

In response to increased competition, many manufacturers, particularly those in the apparel industry, have cut costs by relocating their assembly operations to offshore sites, including the Caribbean Basin. Under production-sharing arrangements, Basin workers assemble parts made in the United States and finished products are returned to the U.S. market. The United States has provided significant amounts of bilateral foreign assistance to the Caribbean Basin—nearly \$17 billion between 1980 and 1992. This report reviews the (1) impact that U.S. policies and programs have had on the growth of Basin assembly industries and on the decisions of U.S. companies to invest in these industries; (2) relationship between Section 599, which prohibits federal agencies from offering financial incentives for U.S. firms to relocate jobs overseas, and other foreign assistance objectives; and (3) implications for the future of U.S. foreign assistance and trade policies in the Basin. This report focuses on these countries: Costa Rica, the Dominican Republic, El Salvador, and Honduras.

Eastern Europe:

AID's Indefinite Contracts Assist Privatization Efforts but Lack Adequate Oversight

GAO/NSIAD-94-61, Jan. 19 (27 pages).

The Agency for International Development's (AID) indefinite quantity contracts have effectively responded to Eastern Europe's needs for technical assistance on privatization. Host government officials, although concerned about the contracting process and their lack of involvement in monitoring performance, have found the contractors' work to be generally satisfactory and have valued the advice and services received so far.

Indefinite quantity contracts also appear to compare favorably with other donors' privatization programs in terms of their cost and responsiveness. Although GAO found no evidence that host governments played a role in AID's selection of the contracting mechanism and the three contractors, the host government have been working closely with the contractors to develop project task proposals. These relationships raise questions about potential conflicts of interest. AID acknowledges these concerns but doubts that conflicts of interest exist because AID staff must review and approve all proposals. One significant area of weakness has been AID oversight of contractor performance. AID recognizes this shortcoming. AID's Washington office, however, has yet to take full advantage of the agency's field staff to monitor contractor performance.

**State Department:
Problems in Compiling List of Countries Restricting
Longshore Activities**

GAO/NSIAD-94-97, Feb. 3 (22 pages).

Historically, U.S. immigration law has allowed the crewmembers of foreign owned and registered ships to work aboard their vessels while in U.S. ports or coastal waters. Since 1980, however, legislative changes have prohibited them from performing longshore work either aboard their vessels or at dockside. The law provides for reciprocity between the United States and foreign countries that do not restrict crewmembers aboard U.S. ships from doing longshore work in their ports. In order to implement the reciprocity exemption, the State Department is required to compile and maintain annually a list of countries that prohibit crewmembers aboard U.S. ships from doing specific types of longshore work. This report reviews the State Department's criteria and methodology for compiling the list.

**Iraq:
U.S. Military Items Exported or Transferred to Iraq in the 1980s**

GAO/NSIAD-94-98, Feb. 7 (21 pages).

This unclassified version of a classified 1992 GAO report discusses U.S. policy and practices on sales of U.S. military equipment to Iraq during the 1980s. Since 1980, U.S. policy has been to deny export licenses for commercial sales of defense items to Iraq, and the Pentagon has not made any foreign military sales to Iraq since 1967. In contrast, U.S. policy on

sales to Iraq of dual-use items—items with both civilian and military uses—has not been constrained by security controls. As a result, the Commerce Department approved licenses for exporting \$1.5 billion worth of dual-use items between 1985 and 1990. The licensed items included computers and other high-tech equipment, civilian helicopters, and machine tools. In addition, several countries shipped U.S. military equipment to Iraq without U.S. approval, including ammunition and howitzer spare parts. In five cases, countries proposed that they serve as transshipment points for military equipment for Iraq, proposals that the State Department rejected.

**Peace Corps:
Status of the Educational Assistance Grants Demonstration
Program**

GAO/NSIAD-94-89, Feb. 25 (21 pages).

More than three years have passed since the enactment of legislation encouraging a demonstration program that would give minority students financial aid in exchange for future Peace Corps service, but the program has yet to be fully implemented. As of January 1994, nine colleges and universities had agreed to participate but no student had been awarded a grant. In GAO's view, it is too soon to tell whether the program will achieve its goals. Concerns have been raised by some university officials about the small size of the grants being awarded and the lack of Peace Corps visibility and presence on campuses to promote the program. School officials said that other student aid programs might be more attractive.

Testimony

Foreign Assistance Act: Comments on New Policy Framework for Foreign Aid, by Frank C. Conahan, Assistant Comptroller General for National Security and International Affairs Programs, before the Subcommittee on International Economic Policy, Trade, Oceans, and Environment, Senate Committee on Foreign Relations. GAO/T-NSIAD-94-121, Feb. 22 (12 pages).

With the end of the Cold War, many new fragile democracies are struggling to move from command to market economies. Meeting the challenges of this emerging world order requires new thinking, new approaches, and new management. Proposed changes to the Foreign Assistance Act provide a framework for revamping the U.S. foreign assistance program to meet these challenges. This testimony comments on the draft legislation. Although GAO generally supports the flexibility that the revised act would

provide the executive branch, it is concerned about (1) accountability for program results, (2) the ways in which authorized programs will be implemented, and (3) provisions of the draft legislation dealing with arms transfers. Moreover, further study is needed to clear up ambiguities and uncertainties as to the intent of the legislation.

International Trade: Observations on the Uruguay Round Agreement, by JayEtta Z. Hecker, Director of International Trade, Finance, and Competitiveness Issues, before the Subcommittee on Trade, House Committee on Ways and Means. GAO/T-GGD-94-08, Feb. 22 (eight pages).

After seven years of negotiations, the Uruguay Round has been concluded. GAO testified that although specific tariff negotiations were still being finalized, on balance the agreement so far appeared to be in the U.S. interest. The United States achieved its most important negotiating objectives, most studies project a net economic gain to the United States and the world economy, and experts generally agree that rejecting the agreement would harm international trading conditions. Notwithstanding the positive overall benefits, the agreement is so complex and far-reaching that Congress will hear a wide range of views and concerns. This situation reflects the fact that trade liberalization imposes costs on certain industries and their labor forces. Effective and adequately funded programs must be in place to address these dislocations. In addition, some outcomes of the agreement, such as how the new dispute resolution mechanisms will affect U.S. interests and what will be the breadth and significance of the World Trade Organization, will only become apparent over time.

National Defense

C-17 Aircraft Program: Improvements in Initial Provisioning Process

GAO/NSIAD-94-63, Jan. 21 (10 pages).

Since 1989, when it began initial provisioning for the C-17 aircraft program, the Air Force has often ordered spare parts prematurely. As of July 1993, the Air Force had \$111.2 million worth of C-17 spare parts on order. In GAO's view, all these orders for spare parts were premature because existing inventories could have met the Air Force's needs. These premature procurements were made under a Defense Department (DOD) policy that calls for maximizing procurement of support items for the provisioning period. Premature ordering occurred because the Air Force

used inaccurate and outdated information to determine how many spare parts to buy and when to buy them, bought more spare parts than computed stockage levels justified, and did not follow regulations governing the initial provisioning process. DOD recently revised its guidance to stress the need to limit the initial procurement of spare parts, thereby minimizing costs. As of July 1993, the Air Force had already canceled nearly \$40 million of the \$111.2 million worth of C-17 parts on order. Although the prime contractor has not determined the cancellation costs for canceled actions, one subcontractor estimated cancellation costs of about \$88,000 on \$2.9 million worth of parts that had been canceled.

**Defense Conversion:
Slow Start Limits Spending**

GAO/NSIAD-94-72, Jan. 25 (12 pages).

Congress and the executive branch have proposed several defense conversion initiatives designed to help individuals, communities, and industry cope with cutbacks in military spending. These programs provide individuals with separation incentives, extended health benefits, and training; help communities plan for economic development and diversification; and encourage firms to explore the commercial uses of defense technologies. This report (1) identifies and compares programs included in three defense conversion initiatives, (2) identifies the amounts committed or obligated as of July 1993, and (3) summarizes evaluations of two defense conversion programs that were authorized before fiscal year 1993.

**Ballistic Missile Defense:
Information on Theater High Altitude Area Defense (THAAD)
System**

GAO/NSIAD-94-107BR, Jan. 27 (21 pages).

The estimated cost for the Theater High Altitude Area Defense (THAAD) weapon system is \$14.5 billion. The Pentagon plans to buy 1,422 THAAD missiles, 99 launchers, and 18 radars. The THAAD demonstration and validation contracts were awarded in 1992, and the program is scheduled to begin engineering and manufacturing development in 1996 and begin low-rate initial production in 1999. THAAD, the upper tier of a two-tier theater defense system, is intended to defend against medium- to long-range theater ballistic missiles. In developing countries, more than 30

types of theater ballistic missiles either are operational or are under development. The number of countries with longer range theater missiles is expected to increase.

**DOD Service Academies:
More Actions Needed to Eliminate Sexual Harassment**

GAO/NSIAD-94-6, Jan. 31 (64 pages).

A GAO survey found widespread sexual harassment at the nation's military academies; 93 to 97 percent of female students reported some form of sexual harassment in 1991, the most common being derogatory personal comments and suggestions that standards had been lowered for women. GAO found a strong link between harassment and stress. The academies generally have complied with the minimum requirements that the Defense Department has set for programs to eliminate sexual harassment. Inspectors General have yet, however, to expressly review sexual harassment prevention and education at the academies. Moreover, none of the academies has developed usable data to assess whether their sexual harassment eradication programs are working. In reviewing the efforts of other organizations, GAO noted several approaches to preventing sexual harassment that may prove effective at the academies. GAO summarized this report in testimony before Congress; see:

DOD Service Academies: Further Efforts Needed to Eradicate Sexual Harassment, by Mark E. Gebicke, Director of Military Operations and Capabilities Issues, before the Subcommittee on Force Requirements and Personnel, Senate Committee on Armed Services. GAO/T-NSIAD-94-111, Feb. 3 (12 pages).

**Defense Contracting:
Implementation of the Pilot Mentor-Protege Program**

GAO/NSIAD-94-101, Feb. 1 (nine pages).

To increase the participation of small disadvantaged businesses in military subcontracting, Congress mandated the Pilot Mentor-Protege Program in 1990. This program encourages mentoring relationships between major prime contractors and subcontractors. Because program implementation has been slow, not enough information is available to determine whether the program's goals can be achieved or whether reauthorization and extension are warranted. Pentagon officials have said that all fiscal years

1992 and 1993 appropriated funds for the pilot program have been committed. As of September 1993, however, the Defense Department (DOD) had neither (1) complied with its own regulation to assess programs and accomplishments under any of the agreements nor (2) compiled the required data on the eight measures that it planned to use to evaluate program success. DOD obtained some initial participation on a "credit-only" basis and limited participation through a mix of credit and cost reimbursement through the mentor's overhead cost pool. DOD's direct reimbursement of mentors' costs has exceeded \$1 million in support of each protege during a three-year period. Unless additional nonmonetary incentives are developed to encourage mentor participation, the program is unlikely to reach the number of proteges envisioned by Congress or significantly increase the total number of subcontracts awarded to small disadvantaged businesses.

**Battlefield Automation:
Premature Acquisition of the Army's Combat Service Support
Control System**

GAO/NSIAD-94-51, Feb. 4 (24 pages).

GAO evaluated the Army's development and acquisition strategy for the Combat Service Support Control System to determine whether it will ensure that the program is ready to begin acquiring Common Hardware and Software computers and related equipment. Specifically, GAO focused on the rationale for program changes that the Army had made to justify equipment acquisition before it had done an operational test of the system. Given that the Army's unsettled acquisition strategy could result in premature procurement of more system hardware, GAO recommends that the Army defer procurement of computers until (1) an operational test of the software's military effectiveness has been completed and (2) automated data exchange between system control segments has been demonstrated. The Army should also use existing Army Tactical Command and Control System sources of equipment to meet the Combat Service Support System's operational testing equipment requirements.

**Defense Health Care:
Expansion of CHAMPUS Reform Initiative Into DOD's Region 6**

GAO/HEHS-94-100, Feb. 9 (eight pages).

Under the CHAMPUS Reform Initiative, private-sector contractors provide beneficiaries with managed health care services under regional, at-risk contracts that supplement the care provided in military hospitals and clinics. In a December 1993 letter, the Secretary of Defense told Congress that the Initiative, with some benefit revisions and managerial changes, would be the most cost-efficient way of providing health care to beneficiaries in Arkansas, Oklahoma, and parts of Louisiana and Texas—the Defense Department's (DOD) health service region 6. GAO found that the analyses supporting DOD's certification for expanding the CHAMPUS Reform Initiative into region 6 had been done in a reasonable way. Moreover, the analyses fairly present the likely impact of the modified CHAMPUS Reform Initiative on cost, quality, and access.

**Defense Inventory:
Changes in DOD's Inventory Reporting, 1989-1992**

GAO/NSIAD-94-112, Feb. 10 (eight pages).

The Defense Department's (DOD) Supply System Inventory Reports show that the nominal value of the secondary item inventory—stocks of spare and repair parts, clothing, medical supplies, and other items—fell nearly \$30 billion during fiscal years 1989-92, from \$109.4 billion to \$80.2 billion. The inventory values reported by DOD, however, are not comparable because of accounting changes that have been made since 1989. GAO estimates that the total inventory actually decreased by \$7.6 billion during this period. GAO also estimates that the inventory DOD placed in the potential reutilization and disposal category rose by \$7 billion. If the latest acquisition value of DOD's inventory is revised to reflect needed repair costs and scrap values of potential reutilization and disposal stock, inventory values fell by \$12.3 billion during fiscal years 1989-92 and potential reutilization and disposal stock increased by less than \$200 million. Congress approved funding of \$26.7 billion in fiscal year 1992 and \$26 billion in fiscal year 1993 for secondary inventory items. These amounts were effectively reduced to \$25.2 billion and \$20 billion as a result of congressionally directed fund transfers from the Defense Business Operations Fund and other accounts. DOD has requested \$26.2 billion for secondary inventory items in fiscal year 1994.

**DOD Acquisition:
Fiscal Year 1993 Waivers to Acquisition Workforce Requirements**

GAO/NSIAD-94-92, Feb. 16 (15 pages).

The Defense Acquisition Workforce Improvement Act, seeking to professionalize the Pentagon's acquisition workforce, imposes education, training, and experience requirements. The act allows DOD to waive qualification requirements for program managers and other acquisition personnel. During fiscal year 1993, the military granted a total of 30 waivers for 26 persons—three fewer than in the previous year. No waivers were granted for contracting officers. Significant differences exist, however, between the fiscal year 1992 and 1993 waivers. Compared with that for fiscal year 1992, the documentation supporting the waivers contained less information on the unusual circumstances or the individuals' qualifications that obviated the need to meet the standards. The Director of Acquisition Education, Training, and Career Development said, however, that his office reviewed the documentation to ensure compliance with the act.

**Navy Laboratories:
Response to Questions on the Norfolk Detachment
Disestablishment**

GAO/NSIAD-94-114BR, Feb. 22 (23 pages).

This briefing report answers several questions about the relocation of the Naval Undersea Warfare Center from Suffolk, Virginia, to Newport, Rhode Island, a move endorsed by the Defense Base Closure and Realignment Commission. The relocation came shortly after a new \$27 million submarine support center had opened in Suffolk. GAO concludes that the Navy will save about \$11 million annually by consolidating the Norfolk center with its division headquarters in Newport. The Navy still faces transferring about 500 scientists and 2,000 tons of equipment at a cost of about \$1.8 million. The U.S. Atlantic Command is already negotiating to lease the Suffolk building for use as a new training complex.

**Military Satellite Communications:
DOD Needs to Review Requirements and Strengthen
Leasing Practices**

GAO/NSIAD-94-48, Feb. 24 (eight pages).

Congress has urged the Pentagon to make greater use of commercial satellites to reduce the cost of military communications. Although the Defense Department (DOD) is studying the issue, a new criterion that DOD uses to set communication requirements has reduced general purpose

requirements by more than 40 percent. In addition, core requirements may be overstated because users may have favored military communications that are provided at no direct cost to them. Also, general purpose requirements may be understated because users must pay for commercial services through their units' budgets. All these factors reduce the potential use of commercial satellite services. DOD's current approach to leasing commercial satellite services is not centrally managed and does not take advantage of economies of scale. According to DOD, most of this leasing is done on an ad hoc basis. In addition, leasing individual circuits is costly, compared with packaging them into larger quantities and using full satellite transponders that can handle multiple circuits.

**Morale, Welfare, and Recreation:
Declining Funds Require DOD to Take Action**

GAO/NSIAD-94-120, Feb. 28 (20 pages).

The Pentagon's morale, welfare, and recreation program provides service members and their families with such services as commissaries, fast food restaurants, health clubs, and golf courses. The financial outlook for the program appears to be worsening. Exchange stores—the largest producer of program revenue and a source of money for other program activities—have seen revenues shrink since 1989. Defense downsizing and increased private sector competition are likely to further dampen program revenues during the 1990s. Appropriated funds, which now constitute about 10 percent of program funding, are also expected to decline along with overall budgets. Cuts in program services are likely unless changes are made soon. The Defense Department's (DOD) decentralized approach to managing the program—a \$12 billion enterprise when exchanges are included—may not be well-suited to an environment of diminishing patronage and funding. Because individual commanders have broad discretion in allocating money at installations, funds from different sources become mixed, making it hard to know whether the program is providing the best mix of services with the least demand on taxpayer dollars. Also of concern are cash balances of more than \$300 million at some Army installations. If not managed carefully, this money could be spent in ways that incur future costs and worsen finances in the long run. Program consolidation has been tried successfully by some of the services but has been resisted by others. A DOD strategic review of the program, a promising catalyst for change initially, appears to have stalled.

Testimony

Military Space Programs: Opportunities to Reduce Missile Warning and Communication Satellites' Costs, by Louis J. Rodrigues, Director of Systems Development and Production Issues, before the Subcommittee on Legislation and National Security, House Committee on Government Operations. GAO/T-NSIAD-94-108, Feb. 2 (nine pages).

Originally designed to relay messages during global nuclear war, the costly Milstar satellite system could be scaled back to save more than \$2 billion. Both Milstar and the Defense Support System (DSP), meant to detect ballistic missile launches, are products of the Cold War and need to be adapted to tactical warfare in regional conflicts. The Pentagon's decision to end the current DSP follow-on program and start anew provides an opportunity to fully consider the new tactical requirements. Plans to begin a new DSP replacement effort in fiscal year 1995 will require major management considerations, including requirements, cost effectiveness, and affordability. Regarding Milstar, however, GAO believes that the Defense Department (DOD) may not have gone far enough to cut costs. GAO believes that by canceling some of its planned larger satellites and by initiating early development of a lower-cost system of smaller satellites, DOD can trim billions of dollars in program costs.

Military Airlift: The C-17 Program Status and Proposed Settlement, by Frank C. Conahan, Assistant Comptroller General for National Security and International Affairs Programs, before the Subcommittee on Military Acquisition, House Committee on Armed Services. GAO/T-NSIAD-94-115, Feb. 10 (42 pages).

Mounting cost, schedule, and performance problems continue to plague the C-17 aircraft program. Total C-17 program costs are soaring; the current \$43 billion estimate for 120 aircraft now exceeds the last Pentagon estimate for 210 aircraft by \$1.3 billion. Delivery schedules have again slipped, and aircraft are being delivered with increasing amounts of unfinished work or known defects that must be fixed after government acceptance. Estimates of flight test completion appear optimistic. Also, C-17 reliability is significantly less than expected and the plane is having difficulty meeting current payload and range specifications. Although the contractor is fixing problems with wings, flaps, and slats, other problems continue to surface, including immature mission computer software and inadequate built-in-test capability. In December 1993, the Pentagon announced that it would stop the C-17 program at 40 aircraft unless contractor management and productivity improved significantly. In January 1994, the Defense Department (DOD) and McDonnell Douglas

agreed to a settlement designed to ensure a viable 120 aircraft program. DOD has not, however, established criteria against which to evaluate improvements in the contractor's performance, and the ultimate costs to the government arising from potential contractor claims are unclear under the settlement. In GAO's view, DOD should investigate alternative wide-body planes that can meet its airlift needs if the C-17 program is canceled.

Natural Resources

National Park Service: Activities Outside Park Borders Have Caused Damage to Resources and Will Likely Cause More

GAO/RCED-94-59, Jan. 3 (34 pages).

Activities outside the boundaries of the national parks, including pollution generated by power plants and manufacturers, are threatening unique natural and cultural resources. The Park Service, however, is unaware of the extent to which these resources are being threatened because it does not maintain an inventory of the number, types, and sources of threats or the damage caused. The Park Service needs this information to pinpoint and counter the most urgent threats. The Park Service has a resource-planning system to identify resource management problems but does not use it to identify and inventory threats. GAO surveyed park managers, who identified more than 600 threats that fell into the following categories: urban encroachment, water quantity and quality issues, air pollution, and human activities. Park managers claim that about two-thirds of the threats have already resulted in damage, including diminished scenic views, polluted streams, and destruction of wildlife and its habitat. Furthermore, they expect that virtually all the threats will inflict additional damage during the next five years. Park managers say that action has been taken to counter more than half the threats. But this typically involved community outreach, which requires multiple parties to cooperate and is often only a first step toward minimizing park damage.

Testimony

Forest Service Management: Issues to Be Considered in Developing a New Stewardship Strategy, by James Duffus III, Director of Natural Resources Management Issues, before the Subcommittee on National Parks, Forests, and Public Lands and the Subcommittee on Oversight and Investigations, House Committee on Natural Resources. GAO/T-RCED-94-116, Feb. 1 (20 pages).

Budgetary constraints and scientific findings on ecosystem management will challenge the Forest Service as never before to find new ways to achieve program goals with fewer resources. GAO testified that the Forest Service needs to work closely with Congress to get a better return on the sale and the use of natural resources on public lands. It also needs to work with Congress and other federal land management agencies to find ways to work more efficiently and to manage federal lands so as to preserve the nation's natural resources and sustain their long-term economic productivity. GAO believes that a coordinated interagency strategy may be needed to link Forest Service reforms to changes being considered by other federal land management agencies. The goal would be for these agencies to function as a unit on the local level.

Science, Space, and Technology

Space Science: Causes and Impacts of Cutbacks to NASA's Outer Solar System Exploration Missions

GAO/NSIAD-94-24, Dec. 29 (40 pages).

A combination of factors led to the cancellation of the Comet Rendezvous Asteroid Flyby (CRAF) program, which was developing spacecraft to observe comets and asteroids traveling through our solar system. In addition, the original scientific capabilities of the Cassini program, which plans a 1997 mission to study Saturn, have been pared back. First, a huge increase in estimated costs forced NASA to drop an important experiment—the comet nucleus penetrator. Second, congressional budget cuts for fiscal years 1992 and 1993 prompted a two-year schedule extension and a significant boost in estimated costs. NASA canceled CRAF without thoroughly examining whether its scope and that of Cassini could have been reduced in order to preserve both missions. Even with the termination of CRAF, NASA doubts whether its future budgets can handle its planned and ongoing projects. As a result, NASA has been restructuring the Cassini project to further reduce costs. The Cassini project is now meeting its new cost and schedule goals, and NASA plans to exceed its new science goals. Several factors still threaten Cassini's future, however, including uncertainties about whether a new, more powerful solid rocket motor will be ready in time for the spacecraft's launch.

**Metric Conversion:
Future Progress Depends Upon Private Sector and Public Support**

GAO/RCED-94-23, Jan. 13 (72 pages).

Metric use among the U.S. government, the private sector, and the public is only inching along, even though Congress sanctioned the use of the metric system in this country as far back as 1866. Most federal agencies have made great strides in establishing guidelines and issuing reports on metric conversion but still face hurdles in putting their plans into practice. For instance, under the procurement system, most products are nonmetric and the government's total market share is too small to stimulate private industry conversion. These difficulties have prompted NASA and the Pentagon to request waivers from metric requirements in cases affecting entire ships and satellites. Mixed progress has been made toward metric conversion in the areas of federal grants and other business activities. GAO notes that the federal government alone cannot achieve the goal of metric conversion. A broader national dialogue between the government, the private sector, and the public is needed to discuss the next steps in metric conversion.

**Advanced Technology:
Proposed Review Process and Treatment of Foreign-Owned
Businesses**

GAO/RCED-94-81, Jan. 18 (14 pages).

This report reviews the implementation of the Advanced Technology Program, which seeks to help U.S. businesses create and apply the generic technology and research necessary to rapidly commercialize major scientific discoveries and new technologies and to refine manufacturing technologies. Funding for the program, which is run by the National Institute of Standards and Technology, rose from \$68 million in fiscal year 1993 to \$200 million in fiscal year 1994—a 194-percent increase. GAO discusses how the (1) program limits its awards to research and development on “precompetitive generic technology” and (2) foreign-owned businesses that submit proposals for awards are treated.

Social Services

Older Americans Act: The National Eldercare Campaign

GAO/PEMD-94-7, Feb. 23 (14 pages).

In April 1991, the Administration on Aging (AOA) launched a multiyear initiative called the National Eldercare Campaign. AOA used about \$14 million of \$26 million in title IV discretionary funds to support the campaign. The largest portion of these funds went to a new community outreach effort, Project CARE. Under this national coalition-building demonstration program, each state had to establish three local coalitions. At the end of 15 months, virtually all states had three local coalitions in place. A majority of coalitions had generated some resources, and about 70 percent were providing services to the elderly. The campaign differs from earlier AOA initiatives in that it seeks to expand not only the Aging Network but also the resources available to the initiatives. Usually, AOA initiatives were of 12 to 24 months' duration and limited to research, demonstration, and technical assistance. By the end of fiscal year 1992, about 200 coalitions had joined the Aging Network and had developed programs and services for the elderly. Although this is a significant change in both the mission and the structure of the Aging Network, the success of this campaign ultimately depends upon the coalitions' ability to sustain themselves beyond the three-year funding period.

Testimony

Child Care Quality: States' Difficulties Enforcing Standards Confront Welfare Reform Plans, by Joseph F. Delfico, Director of Income Security Issues, before the Subcommittee on Regulation, Business Opportunities, and Technology, House Committee on Small Business. GAO/T-HEHS-94-99, Feb. 11 (seven pages).

GAO questions the safety of child care being offered nationwide, in terms of both the physical environment—everything from working smoke detectors to properly stored food—and background checks for child care workers. Although the states are responsible for setting and enforcing quality standards, they are being challenged by the surge in demand for child care as well as by shrinking budgets. GAO found that 17 states did not conduct criminal background checks on child care center providers and 21 states did not conduct checks of family day care providers. Although Congress recently passed legislation to remedy this situation, it is too soon to know how much it will help. Welfare reform may also test states' ability to protect children. Recent proposals requiring welfare recipients to

participate in training programs and find work within two years may increase the demand for child care, potentially further straining state enforcement resources.

Tax Policy and Administration

Tax Administration: State Tax Administrators' Views on Delinquent Tax Collection Methods

GAO/GGD-94-59FS, Feb. 2 (54 pages).

States are changing their delinquent tax collection strategies to boost collections and make their collection programs more efficient. Among the recent changes some states have made are (1) new or improved accounts receivable management information systems; (2) updated written billing procedures; (3) use of telephone collection techniques; and (4) denying taxpayers state licenses and permits, such as those for liquor and car dealerships, if delinquent taxes go unpaid. Other developments on the state level include the increasing use of private collection companies to collect delinquent taxes and the use of credit card tax payments. This fact sheet summarizes the views of state tax administrators on these efforts.

Testimony

Tax Administration: Electronic Filing Fraud, by Jennie S. Stathis, Director of Tax Policy and Administration Issues, before the Subcommittee on Oversight, House Committee on Ways and Means. GAO/T-GGD-94-89, Feb. 10 (12 pages).

The Internal Revenue Service (IRS) identified nearly 26,000 fraudulent electronic income tax returns during the first 10 months of 1993—a 105-percent increase over 1992 levels. In the long term, it is critical that IRS thoroughly assess its controls and determine what is needed to adequately protect the government's revenues. With a goal of 80 million electronic returns by 2001, IRS must ensure that fraud control needs, such as various up-front matching capabilities, are fully identified and considered in planning its systems modernization program. IRS also needs to learn from its electronic filing experience by building adequate controls into the design of future systems, like Telefile, which allow taxpayers to file their returns over the telephone, and ensure that those controls are adequate before nationwide implementation.

Transportation

Testimony

Transportation Safety: Opportunities for Enhancing Safety Across Modes, by Kenneth M. Mead, Director of Transportation Issues, before the Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation. GAO/T-RCED-94-120, Feb. 10 (25 pages).

Safety is a top priority at Transportation Department (DOT) and with good reason: in 1992, about 47,000 Americans were killed in transportation-related accidents. According to DOT, motor vehicle crashes in 1990 alone cost the United States upwards of \$137 billion in lost income, property damage, and medical and other expenses. DOT relies on individual agencies, ranging from the Federal Aviation Administration to the National Highway Traffic Safety Administration, as well as on the regulated industries, to ensure the safety of the nation's travelers. This testimony reviews some of the measures of safety often used to compare transportation modes, the limitations in making such safety comparisons, and the ways that each mode and DOT assess safety.

Veterans Affairs

Homelessness: Demand for Services to Homeless Veterans Exceeds VA Program Capacity

GAO/HEHS-94-98, Feb. 23 (67 pages).

Veterans are generally believed to be about one-third of the homeless population in the United States; on any given night, up to 250,000 of an estimated 600,000 homeless persons living on the streets or in shelters may be veterans. Virtually all these veterans are men, many of whom suffer from mental illness or drug and alcohol problems. The capacity of Department of Veterans Affairs (VA) programs to serve these homeless veterans, however, falls far short of the demand for services. Further, VA services for homeless veterans are nonexistent in many areas of the country. Every VA medical center is required to assess the needs of homeless veterans, determine the availability of VA and other services in their areas, and encourage coordination with public and private providers to meet those needs. VA has not done these assessments and has yet to set specific target dates. If VA is to address the medical and the social needs of homeless veterans nationwide, existing substance abuse, mental health,

and housing programs will need to be substantially expanded. VA may need to open new beds, hire more staff, contract with private providers of health care and housing, and either renovate buildings or allow private homeless groups to do so to provide temporary housing. In an era of tight federal budgets, however, increasing services for the homeless could force cutbacks in services to other veterans.

GAO

Order Form

Check appropriate boxes, tear out entire form, affix mailing label to this page, and send to:

U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20884-6015

Affix mailing label from back cover here. Otherwise, please print or type address information.

Name and organization

Street or P.O. box

City, state, and ZIP code

☐ If your address has changed, please check this box and write out your new address in the space above.

AGRICULTURE AND FOOD

☐ Farmers Home Administration: Farm Loans to Delinquent Borrowers
GAO/RCED-94-94FS, Feb. 8.

Testimony

☐ Food Assistance: Reducing Fraud and Abuse in the Food Stamp Program With Electronic Benefit Transfer Technologies
GAO/T-RCED-94-125, Feb. 2.

☐ U.S. Department of Agriculture: Centralized Servicing for FmHA Single-Family Housing Loans
GAO/T-RCED-94-121, Feb. 9.

☐ Meat Safety: Inspection System's Ability to Detect Harmful Bacteria Remains Limited
GAO/T-RCED-94-123, Feb. 10.

BUDGET AND SPENDING

☐ Impoundments: Proposed Rescissions of Fiscal Year 1994 Budget Authority
GAO/OGC-94-19, Jan. 27.

☐ Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results
GAO/AIMD-94-68, Feb. 4.

Testimony

☐ Fiscal Year 1995 Budget Estimates for the General Accounting Office
GAO/T-OCG 94 2, Feb. 4.

CIVIL RIGHTS

☐ EEOC's Expanding Workload: Increases in Age Discrimination and Other Charges Call for New Approach
GAO/HEHS-94-32, Feb. 9.

Testimony

☐ Federal Personnel: The EEO Implications of Reductions-in-Force
GAO/T-GGD-94-87, Feb. 1.

ECONOMIC DEVELOPMENT

☐ Community Development: Block Grant Economic Development Activities Reflect Local Priorities
GAO/RCED-94-108, Feb. 17.

EDUCATION

☐ Elementary School Children: Many Change Schools Frequently, Harming Their Education
GAO/HEHS-94-45, Feb. 4.

EMPLOYMENT

☐ Occupational Safety and Health: Changes Needed in the Combined Federal-State Approach
GAO/HEHS-94-10, Feb. 28.

ENERGY**Testimony**

☐ DOE's National Laboratories: Adopting New Missions and Managing Effectively Pose Significant Challenges
GAO/T-RCED-94-113, Feb. 3.

ENVIRONMENTAL PROTECTION

☐ Air Pollution: EPA's Progress in Determining the Costs and Benefits of Clean Air Legislation
GAO/RCED-94-20, Feb. 11.

☐ Water Pollution: Poor Quality Assurance and Limited Pollutant Coverage Undermine EPA's Control of Toxic Substances
GAO/PEMD-94-9, Feb. 17.

FINANCIAL INSTITUTIONS

☐ Resolution Trust Corporation: Analysis of Selected Asset Sales and Financial Data
GAO/GGD-94-37, Feb. 1.

☐ Deposit Insurance Funds: Compliance With Obligation and Repayment Requirements as of 3/31/93 and 6/30/93
GAO/AIMD-94-62, Feb. 4.

FINANCIAL MANAGEMENT

☐ Financial Audit: Federal Deposit Insurance Corporation's Internal Controls as of December 31, 1992
GAO/AIMD-94-35, Feb. 4.

☐ Financial Management: IRS Does Not Adequately Manage Its Operating Funds
GAO/AIMD-94-33, Feb. 9.

GOVERNMENT OPERATIONS

☐ U.S. Postal Service: Newly Designed Retail Store Revenues Exceed Operating Costs
GAO/GGD-94-85, Feb. 4.

☐ U.S. Insular Areas: Development Strategy and Better Coordination Among U.S. Agencies Are Needed
GAO/NSIAD-94-62, Feb. 7.

☐ Management Reforms: Examples of Public and Private Innovations to Improve Service Delivery
GAO/AIMD/GGD-94-90BR, Feb. 11.

☐ Federal Employees' Compensation Act: No Evidence That Labor's Physician Selection Processes Biased Claims Decisions
GAO/GGD-94-67, Feb. 11.

☐ Department of Labor: Noncompetitive Discretionary Grants
GAO/HEHS-94-9, Feb. 22.

Testimony

☐ Improving Government: GAO's Views on H.R. 3400 Management Initiatives
GAO/T-AIMD/GGD-94-97, Feb. 23.

HEALTH

☐ Drug Use Among Youth: No Simple Answers to Guide Prevention
GAO/HRD-94-24, Dec. 29.

☐ Prescription Drugs: Companies Typically Charge More in the United States Than in the United Kingdom
GAO/HEHS-94-29, Jan. 12.

☐ Medigap Insurance: Insurers' Compliance With Federal Minimum Loss Ratio Standards, 1988-91
GAO/HEHS-94-47, Feb. 7.

Testimony

☐ Managed Health Care: Effect on Employers' Costs Difficult to Measure
GAO/T-HEHS-94-91, Feb. 2.

☐ Health Care Reform: Implications of Geographic Boundaries for Proposed Alliances
GAO/T-HEHS-94-108, Feb. 24.

☐ Medicaid: A Program Highly Vulnerable to Fraud
GAO/T-HEHS-94-106, Feb. 25.

HOUSING

☐ Homelessness: Appropriate Controls Implemented for 1990 McKinney Amendments' PATH Program
GAO/HEHS-94-82, Feb. 22.

INCOME SECURITY

Testimony

- ☐ Social Security: Disability Benefits for Drug Addicts and Alcoholics
GAO/T-HEHS-94-101, Feb. 10.

INFORMATION MANAGEMENT

- ☐ Defense IRM: Management Commitment Needed to Achieve Defense Data Administration Goals
GAO/AIMD-94-14, Jan. 21.
- ☐ Medicare: New Claims Processing System Benefits and Acquisition Risks
GAO/HEHS/AIMD-94-79, Jan. 25.

INTERNATIONAL AFFAIRS

- ☐ Foreign Assistance: U.S. Support for Caribbean Basin Assembly Initiatives
GAO/NSIAD-94-31, Dec. 29.
- ☐ Eastern Europe: AID's Indefinite Contracts Assist Privatization Efforts but Lack Adequate Oversight
GAO/NSIAD-94-61, Jan. 19.
- ☐ State Department: Problems in Compiling List of Countries Restricting Longshore Activities
GAO/NSIAD-94-97, Feb. 3.
- ☐ Iraq: U.S. Military Items Exported or Transferred to Iraq in the 1980s
GAO/NSIAD-94-98, Feb. 7.
- ☐ Peace Corps: Status of the Educational Assistance Grants Demonstration Program
GAO/NSIAD-94-89, Feb. 25.

Testimony

- ☐ Foreign Assistance Act: Comments on New Policy Framework for Foreign Aid
GAO/T-NSIAD-94-121, Feb. 22.
- ☐ International Trade: Observations on the Uruguay Round Agreement
GAO/T-GGD-94-98, Feb. 22.

NATIONAL DEFENSE

- ☐ C-17 Aircraft Program: Improvements in Initial Provisioning Process
GAO/NSIAD-94-63, Jan. 21.

- ☐ Defense Conversion: Slow Start Limits Spending
GAO/NSIAD-94-72, Jan. 25.

- ☐ Ballistic Missile Defense: Information on Theater High Altitude Air Defense (THAAD) System
GAO/NSIAD-94-107BR, Jan. 27.

- ☐ DOD Service Academies: More Actions Needed to Eliminate Sexual Harassment
GAO/NSIAD-94-6, Jan. 31.

- ☐ Defense Contracting: Implementation of the Pilot Mentor-Protege Program
GAO/NSIAD-94-101, Feb. 1.

- ☐ Battlefield Automation: Premature Acquisition of the Army's Combat Service Support Control System
GAO/NSIAD-94-51, Feb. 4.

- ☐ Defense Health Care: Expansion of CHAMPUS Reform Initiative Into DOD's Region 6
GAO/HEHS-94-100, Feb. 9.

- ☐ Defense Inventory: Changes in DOD's Inventory Reporting, 1989-1992
GAO/NSIAD-94-112, Feb. 10.

- ☐ DOD Acquisition: Fiscal Year 1993 Waivers to Acquisition Workforce Requirements
GAO/NSIAD-94-92, Feb. 16.

- ☐ Navy Laboratories: Response to Questions on the Norfolk Detachment Disestablishment
GAO/NSIAD-94-114BR, Feb. 22.

- ☐ Military Satellite Communications: DOD Needs to Review Requirements and Strengthen Leasing Practices
GAO/NSIAD-94-48, Feb. 24.

- ☐ Morale, Welfare, and Recreation: Declining Funds Require DOD to Take Action
GAO/NSIAD-94-120, Feb. 28.

Testimony

- ☐ Military Space Programs: Opportunities to Reduce Missile Warning and Communication Satellites' Costs
GAO/T-NSIAD-94-108, Feb. 2.

- ☐ DOD Service Academies: Further Efforts Needed to Eradicate Sexual Harassment
GAO/T-NSIAD-94-111, Feb. 3.

- ☐ Military Airlift: The C-17 Program Status and Proposed Settlement
GAO/T-NSIAD-94-115, Feb. 10.

NATURAL RESOURCES

- ☐ National Park Service: Activities Outside Park Borders Have Caused Damage to Resources and Will Likely Cause More
GAO/RCED-94-59, Jan. 3.

Testimony

- ☐ Forest Service Management: Issues to Be Considered in Developing a New Stewardship Strategy
GAO/T-RCED-94-116, Feb. 1.

SCIENCE, SPACE, AND TECHNOLOGY

- ☐ Space Science: Causes and Impacts of Cutbacks to NASA's Outer Solar System Exploration Missions
GAO/NSIAD-94-24, Dec. 29.

- ☐ Metric Conversion: Future Progress Depends Upon Private Sector and Public Support
GAO/RCED-94-23, Jan. 13.

- ☐ Advanced Technology: Proposed Review Process and Treatment of Foreign-Owned Businesses
GAO/RCED-94-81, Jan. 18.

SOCIAL SERVICES

- ☐ Older Americans Act: The National Eldercare Campaign
GAO/PEMD-94-7, Feb. 23.

Testimony

- ☐ Child Care Quality: States' Difficulties Enforcing Standards Confront Welfare Reform Plans
GAO/T-HEHS-94-99, Feb. 11.

TAX POLICY AND ADMINISTRATION

- ☐ Tax Administration: State Tax Administrators' Views on Delinquent Tax Collection Methods
GAO/GGD-94-59FS, Feb. 2.

Testimony

- ☐ Tax Administration: Electronic Filing Fraud
GAO/T-GGD-94-89, Feb. 10.

TRANSPORTATION

Testimony

- ☐ Transportation Safety: Opportunities for Enhancing Safety Across Modes
GAO/T-RCED-94-120, Feb. 10.

VETERANS AFFAIRS

- ☐ Homelessness: Demand for Services to Homeless Veterans Exceeds VA Program Capacity
GAO/HEHS-94-98, Feb. 23.

GAO

Fax Order Form

U.S. General Accounting Office
 P.O. Box 6015
 Gaithersburg, MD 20884-6015
 Fax Number (301) 258-4066
 Telephone Number (202) 512-6000

For ordering single copies only.

(No Cover Page Required)

8 Digit Customer ID*
 (top of mailing label)

--	--	--	--	--	--	--	--

or your full mailing address below:*

Name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Organization

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Address

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Address

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

City, State and ZIP

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Sample Order*

(to order

GAO/GGD-93-15)

G	A	O	/	G	G	D					—	9	3	—	1	5				
---	---	---	---	---	---	---	--	--	--	--	---	---	---	---	---	---	--	--	--	--

*Note: Please fill the
 blanks as shown in this
 example without
 touching the sides of
 the box.

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

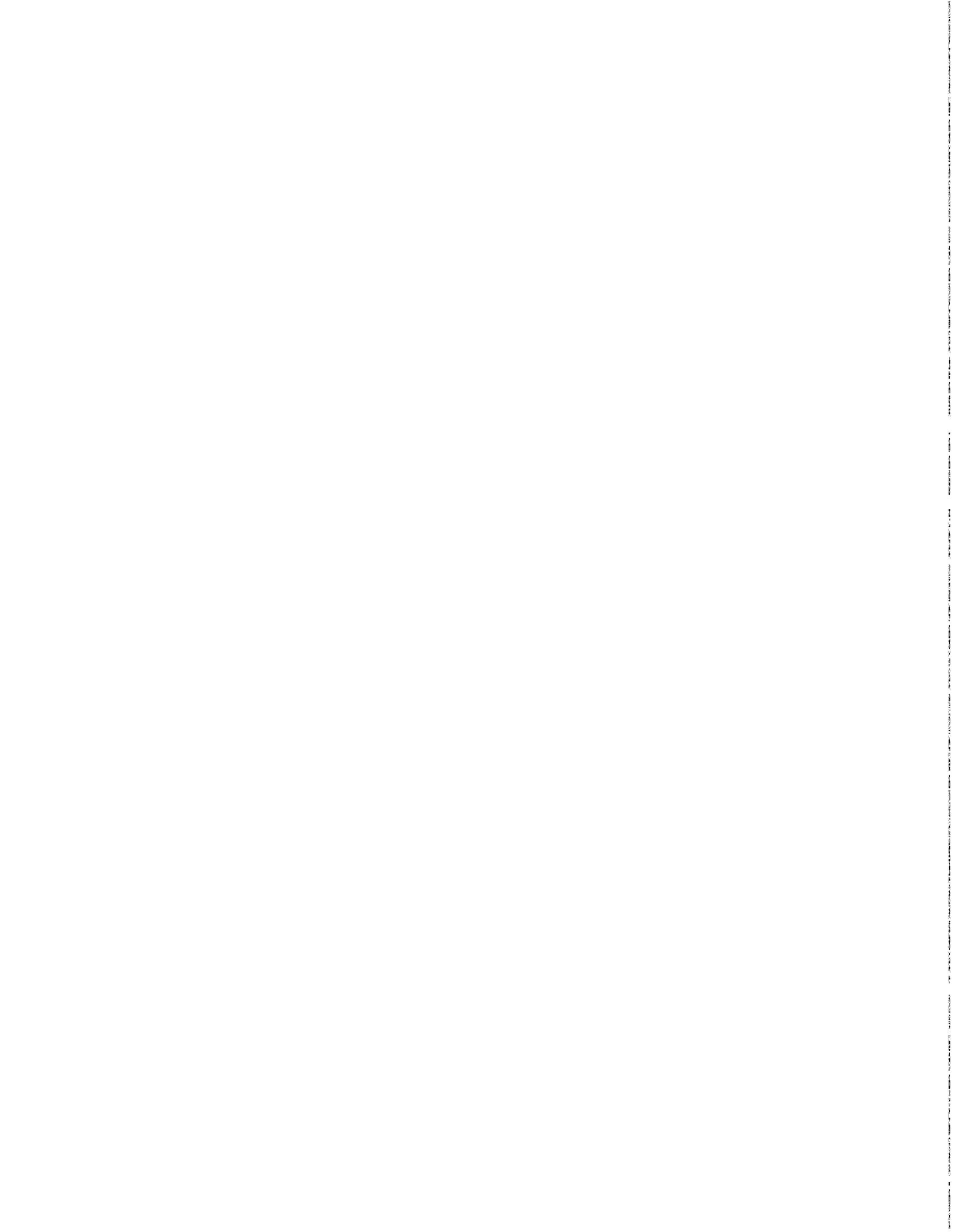
G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--

G	A	O	/								—			—						
---	---	---	---	--	--	--	--	--	--	--	---	--	--	---	--	--	--	--	--	--



Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

**U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015**

or visit:

**Room 1000
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC**

**Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066.**

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list, or any listing from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these listings.

**United States
General Accounting Office
Washington, D.C. 20548**

**Official Business
Penalty for Private Use \$300**

<p>Bulk Rate Postage & Fees Paid GAO Permit No. G100</p>
